

MINUTES

**MONTANA SENATE
58th LEGISLATURE - REGULAR SESSION**

COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN DALE MAHLUM**, on March 12, 2003 at 9:02 A.M., in Room 422 Capitol.

ROLL CALL

Members Present:

Sen. Dale Mahlum, Chairman (R)
Sen. Mike Sprague, Vice Chairman (R)
Sen. Sherm Anderson (R)
Sen. Vicki Cocchiarella (D)
Sen. Kelly Gebhardt (R)
Sen. Ken (Kim) Hansen (D)
Sen. Sam Kitzenberg (R)
Sen. Glenn Roush (D)
Sen. Don Ryan (D)
Sen. Carolyn Squires (D)
Sen. Fred Thomas (R)

Members Excused: Sen. Bob Keenan (R)

Members Absent: None.

Staff Present: Sherrie Handel, Committee Secretary
Eddy McClure, Legislative Branch

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 164, 2/3/2003; HB 122, 2/3/2003;
HB 165, 2/3/2003
Executive Action: HB 98; HB 76, HB 164, HB 126,

{Tape: 1; Side: A}

HEARING ON HB 164

Sponsor: REPRESENTATIVE TIM CALLAHAN, HD 43, GREAT FALLS/CASCADE COUNTY

Proponents: Jerry Driscoll, AFL/CIO
George Wood, Montana Self-Insurers Association
Norm Newhall, Attorney, Great Falls
Richard Martin, Attorney, Great Falls, *in absentia*
Jacqueline Lenmark, American Insurance Association
Riley Johnson, National Federation of Independent Businesses
Travis Ahner, Montana Trial Lawyers Association

Opponents: NONE

Informational Witnesses: Jerry Keck, Department of Labor and Industry
Nancy Butler, Montana State Fund

Opening Statement by Sponsor:

REPRESENTATIVE TIM CALLAHAN, HD 43, GREAT FALLS/CASCADE COUNTY, stated the bill removes the maximum of ten adjustments or the maximum of three percent (3%) with regard to cost of living increases for permanently or totally disabled workers under workers' compensation. He explained currently, a person receiving workers' compensation who is totally disabled receives adjustments for ten years in accordance with a formula based on average weekly wages. If the average weekly wage is more than three percent (3%) the worker receives the adjustment; if less than three percent (3%) the worker receives that value. **REP. CALLAHAN** stated the bill changes the formula so the worker simply receives the average adjustment, and removes the ten year cap.

Proponents' Testimony:

Jerry Driscoll, AFL/CIO, stated this bill would not affect anyone for about thirteen years. Referring to page 1, line 26, he stated a person is not qualified for an adjustment for two years, and it takes approximately one year before a person is determined to be totally disabled. Present law stipulates a maximum of ten adjustments may be given. **Mr. Driscoll** stated the bill is primarily for young workers who become totally disabled.

George Wood, Montana Self-Insurers Association, rose in support of HB 164.

Norm Newhall, Attorney, Great Falls, conveyed support for the bill. **Mr. Newhall** submitted written testimony on behalf of **Mr. Richard Martin, EXHIBIT(bus52a01)**, as well as, provided the Committee with his own written testimony **EXHIBIT(bus52a02)**. He stated the bill affects only permanent, totally disabled persons with those persons comprising a very small portion of the total compensation benefits currently being paid out.

{Tape: 1; Side: A; Counter: 8.3}

Richard Martin, Attorney, Great Falls, in absentia, submitted written testimony.

Jacqueline Lenmark, American Insurance Association, rose in support of HB 164.

Riley Johnson, National Federation of Independent Businesses, said workers' compensation is important to this state and he urged support.

Travis Ahner, Montana Trial Lawyers Association, voiced his support for the bill. He said totally disabled persons are actually hit harder by cost of living increases than a normal person because of their disability.

Informational Witnesses:

Jerry Keck, Department of Labor and Industry, stated he was present should the Committee have questions.

Nancy Butler, Montana State Fund, informed the committee her agency priced this bill at an overall rate impact of .621 percent, and will have an impact of \$1.1 million to \$2 million per year on the state fund.

Questions from Committee Members and Responses:

SENATOR MIKE SPRAGUE inquired whether workers' compensation will need to begin immediately increasing employers rates in order to limit the overall impact. **Ms. Butler** replied in the affirmative. She said workers' compensation premiums are calculated each July 1st by evaluating projected costs for every injury that may occur. She stated premium dollars are invested if available to pay out claims for the entire period. Her office collects in one year the amount needed for the entire life of the claim, and the

process is repeatedly annually. She said the Fund would need to collect next year for anyone who may be totally disabled in the future. **SEN. SPRAGUE** asked the sooner they started the sooner the increase would have to be. **Ms. Butler** said no it would be the same every year. **SEN. SPRAGUE** asked if this would be shared amongst the whole pool regardless of the employer's risk rating or would it be in the higher risk categories. **Ms. Butler** replied it is proportional.

SENATOR KELLY GEBHARDT inquired whether the .62 percent was of the premium total. **Ms. Butler** replied it was .621 percent. She said if they charged \$100 million overall then they would add a .6 to a .1 percent increase and spread that out amongst all policyholders. **SEN. GEBHARDT** asked if the one percent (1%) was on payroll, or on the premium. **Ms. Butler** replied it is one percent (1%) of the premium.

SENATOR DON RYAN asked about page 1, line 19. He asked if a twenty-five year old employee is hurt, who is then eligible for forty years under the plan, would this come into conflict with the cost of living. **Ms. Butler** said they would look at the worker's wages and their rate of 66 2/3 percent of their wages. She said two years after they are declared totally disabled the cost of living increase would be added to the 2/3 rate and would last the entire entitlement of their benefits. **SEN. RYAN** read line 20 and asked whether this is in conflict with the cost of living adjustment over 40 years and may exceed what the wages were at the time of injury. **Ms. Butler** said they would still consider both of them and even if they were at a maximum they would still be paid.

SEN. SPRAGUE asked how much of an increase an employer will realize. **Ms. Butler** replied there are three bills still in the process with price tags; the cumulative totals range from \$2.1 million to \$3.1 million. She said if the rate increases were 2 percent (2%) or greater they would take the midpoint between \$2.1 million and \$3.1 million if all three bills pass.

{Tape: 1; Side: A; Counter: 19.6}

Closing by Sponsor:

REP. CALLAHAN stated the goal of the bill is to take care of the most seriously injured workers.

Sponsor: REPRESENTATIVE GARY FORRESTER

Proponents: Gene Huntington, Department of Justice
Rhonda Carpenter, Montana Coin Machine Operators'
Association (MCMOA)
Rich Miller, Gaming Industry Association

Opponents: NONE

Informational Witnesses: NONE

Opening Statement by Sponsor:

REPRESENTATIVE GARY FORRESTER, HD 16, BILLINGS, opened on HB 122. He said there are several problems with the dial up system.

Proponents' Testimony:

Gene Huntington, Department of Justice, conveyed his support and provided the Committee with written testimony **EXHIBIT (bus52a03)**. He explained gambling machines keep records with two sets of meters which record the amount of money put in and the amount of money taken out. The difference between the two values represents income. All records his office maintains for over 18,000 video gambling machines come from these meters. He also stated there is a mechanical meter and an electronic meters with each one checking the other. The preferred method for record keeping is to gather data electronically rather than reading meters or printing out tapes; this is the idea behind "dial-up." This preferred process was originally recommended to the state in 1994 by a legislative audit. In 1999, the Legislature approved \$2.4 million for a period of five years, however, no bids were received to implement a system. The office was finally able to secure a system from Nevada, however, the contractor failed to provide a viable system despite the program being paid for. The state eventually entered into a lawsuit with this company. **Mr. Huntington** indicated they were then faced with the decision of what to do with dial-up. In 1999, the number of video gambling machines that could have been connected was 13,000. In 2001, the number of machines decreased by approximately 9,000 so there are presently only about 4,000. Of the money dedicated by the 1999 Legislature there is between \$600,000 and \$700,000 remaining for the program. One of the most important aspects of the bill is its' requirement of a universal time frame for a connection date. One incentive for machine owners who choose to connect to the system is the ability to place keno and poker into one machine. He said they also need to know who had been trained to work on

these machines and to provide that training. **Mr. Huntington** distributed a memo regarding financing for AARS, see **EXHIBIT (bus52a04)**, stating this would provide the record keeping for the state and would effect 1,600 businesses in Montana.

{Tape: 1; Side: B}

Rhonda Carpenter, MCMOA, said this legislation leaves an open ended date so that no matter what time the department puts together the system the tax credits will be in place for the small business owner. She said they have had several system problems, and by passing this bill it will insure the small business owner the tax credits they signed up for in the 1999 Legislature.

Rich Miller, Gaming Industry Association, rose in support of the bill. He stated the industry is interested in moving toward electronic record keeping, and they feel dual-game software is important to the industry.

Questions from Committee Members and Responses:

SEN. SPRAGUE said originally the legislature did not believe this change would be so complicated. He inquired why it has become more complicated with the changing of machines. **Mr. Huntington** said in 1999 the legislature appropriated \$2.5 million and there was a manufacturer of one of the systems they could never get a bid from. He said states that had similar legislation are now going through their second upgrading. One problem, he indicated, was there was never enough money for someone to bid on the kind of system everyone wanted. **SEN. SPRAGUE** asked why the coal trust fund was not used, since there was a designated amount of money and the industry could pay it back. **Mr. Huntington** said capital appropriations are generally made in long-range building bills and are a continuing appropriation. He said in 1999 they tried to write in intent and it made it subject to budget cuts. He also stated a portion of this proposal would come from a loan.

SENATOR GLENN ROUSH applauded **Mr. Miller's** organization. He said when the state went to the automated system there were many people who had doubts about the industry and whether it would generate money for the state. **SEN. ROUSH** believes the industry should be commended for working toward a solution. **Mr. Miller** said they have been fighting this issue for four years and are working toward a solution. He said since 1999 the manufacturers in Montana have not sold any machines. The machines have not been replaced because they did not know what direction they were heading in.

SENATOR VICKI COCCHIARELLA expressed her concern regarding **Mr. Huntington's** request for one and a half percent (1.5%) of the gambling tax because it is presently allocated to other purposes. Her biggest concern though is ongoing costs. She said there have been upgrades which have failed, and she wonders what can be done to prevent additional failures in the future. She also alluded to other computer processes that have cost Montana millions of dollars. **Mr. Huntington** replied there are presently systems being used successfully around the world. If this is something businesses will rely on to pay their taxes, then there must be a way of insuring ongoing funding. Having to come here year after year and compete with general fund needs does not allow for a dependable source of revenue.

SEN. COCCHIARELLA requested the Committee be provided with data which shows businesses are losing this kind of money in order to justify a decision for this kind of expenditure. She does not believe there is any substantial amount of either fraud or theft in the industry or by small business owners. **Mr. Huntington** replied, at no time, has there been any thought of the system being in place to catch people cheating, and so forth. He stated video gambling tax has risen approximately four percent (4%) per year; it is growing due to the new machines and because it is an entertainment industry. He also noted one of the biggest problems they do have in the industry are terrible records because the process imposes a huge burden on people to keep these records.

{Tape: 1; Side: B; Counter: 22.9}

SEN. SPRAGUE commented the record keeping system is a ten key adding machine tape. **Mr. Huntington** said yes it is a cash register tape the machine spits out. **SEN. SPRAGUE** said these are small business people that employ a lot of people and the coal trust fund was set up to help businesses that generate revenue for the state and local communities. He believes it would be logical to allow for a revolving account through the coal trust fund. He also believes the funding source was the major factor in this instance. **Mr. Huntington** said yes they need a long term funding source.

{Tape: 2; Side: A}

SENATOR CAROLYN SQUIRES, referring to a section of the bill wherein the Department's duties are outlined, asked about overall costs. **Mr. Miller** said he was aware this may be included in the general appropriations bill but not as an amendment to this bill. **SEN. SQUIRES** asked if they would support the amendment. **Mr. Miller** replied in the negative.

SEN. SQUIRES asked if **Ms. Carpenter's** organization supported the general appropriation. **Ms. Carpenter** replied in the negative. She said the Appropriations Committee removed a significant amount of money formerly appropriated for the current biennium. She said following that vote, they moved down to the next section without taking action on this request. **SEN. SQUIRES** asked if her organization is comfortable where they were at present. **Ms. Carpenter** said yes.

SEN. SQUIRES asked **Mr. Miller** if he was comfortable on where they are at present. **Mr. Miller** said yes.

CHAIRMAN DALE MAHLUM requested **Mr. Huntington** explain the problems they had with LGS. **Mr. Huntington** said in 1999 the gambling control division moved forward with a proposal which had seventy percent (70%) approval from the gaming industry. He said the company they had awarded the bid to was hired by another company and there were no other bids. They began working with LGS under a contract signed in September of 2000. However, by January 2001 there were already questions about delivery schedules, etceteras. Not long after they office went to court claiming anticipatory breach and seeking to have the contract with LGS terminated. **CHAIRMAN MAHLUM** asked about the present status of the lawsuit. **Mr. Huntington** replied there a number of suits were filed that have been dealt with in both Nevada and Montana; this case is set for trial in May 2004.

Closing by Sponsor:

REP. FORRESTER stated the Committee has probably heard about dial-up proposals. It is important to remember the industry continues to believe a dial-up system can work. He did not recommend the amendments brought forward by **Mr. Huntington**.

HEARING ON HB 165

Sponsor: **REPRESENTATIVE BOB LAKE**

Proponents: **Bob Crippen, Montana Lottery Commission**
Jerry LaChere, Montana State Lottery
Jeff Kirkland, Montana State Lottery
Bob Pavlovich, private citizen
Bill Stevens, Montana Food Distributors Association

Opponents: **Betty Whiting, Montana Association of Churches**

Julie Millam, Montana Family Coalition
Greg Trude, private citizen
Terry Paske, Montana Eagle Forum
Shannon Bennett, private citizen
Harris Himes, Big Sky Christian Center, Hamilton

Opening Statement by Sponsor:

REPRESENTATIVE BOB LAKE, HD 60, Bitterroot Valley, opened on **HB 165** and stated the bill will allow the Montana Lottery to enter into agreements with international lotteries. The bill also addresses Montana's continuing ability to offer "PowerBall." He explained if an international lottery is approved to become a member of the U.S. lotteries currently offering Bower Ball, Montana will not be able to continue with the group. Mexico has already expressed an interest in becoming a member of the PowerBall group. Under current law, the Montana Lottery can enter into agreements with other state lotteries. The Lottery has agreements with twenty-four state lotteries and jurisdictions to offer the PowerBall game. If this legislation is not passed and an international lottery becomes a member of the PowerBall group the Montana Lottery would have to immediately desist participation. He indicated passage of the bill has no cost to the state, however, in the event Montana must terminate participation there will be a two-thirds reduction in the state lottery's transfer to the general fund. In 2003 the amount lost would be approximately \$5 million, in addition to potential losses for Montana lottery retailers of to \$700,000 in commissions each year. **REP. LAKE** stated many purchasers of lottery tickets will drive to Idaho or the Dakotas and this will hurt business. He emphasized the bill does not expand gambling it only protects the Montana Lottery by allowing the continued participation in PowerBall. He briefly discussed the fiscal note.

{Tape: 2; Side: A; Counter 16.5}

Proponents' Testimony:

Bob Crippen, Montana Lottery Commission, said the lottery commission consists of five members appointed by the Governor who meet quarterly to oversee the various functions of the Montana Lottery. He stated without this legislation Montana will not be able to continue offering PowerBall should a foreign country become a member. He stated PowerBall is the lottery's most popular and profitable game. If they have to discontinue its' sales the annual transfer to the general fund will probably decrease by two-thirds; an amount over \$5 million. He emphasized

this bill is in no manner an attempt to expand the Montana Lottery.

Jerry LaChere, Montana State Lottery, quoted from a letter from Sutey Oil Company, owners of 14 Thriftway Super Stop convenience stores, see **EXHIBIT (bus52a05)**. He said over 500 retailers in this state would lose commissions. He said Mexico has already made a presentation to the PowerBall group, indicating they will be making a formal request to become a member. At present, there are only four states that do not have the ability to enter into agreements with an international lottery. Each of these states has legislation pending regarding this concern. He reiterated, this is not an expansion of gambling and the status of games presently being offered remain the same. He also explained increasing numbers of international markets are being developed, the lottery is no different. **Mr. LaChere** also stated, should the bill not pass, a substantial reduction to the general fund transfer will result, retailers will lose valuable commissions, and consumers will lose the ability to choose playing a lottery they have been able to play for over ten years.

{Tape: 2; Side: A; Counter: 26.5}

Jeff Kirkland, Montana State Lottery, submitted written testimony **EXHIBIT (bus52a06)**.

{Tape: 2; Side: B; Counter: 6.8}

Bob Pavlovich, private citizen, said in 1985 a referendum was introduced which eventually passed in all fifty-six counties. At that time, there was no idea the lottery would grow to include games such as PowerBall, and so forth; as well as include international lotteries. **Mr. Pavlovich** believes if this bill does not pass the state could may lose \$10 million, something they cannot afford to lose at this time.

Bill Stevens, Montana Food Distributors Association, urged support of this legislation.

Opponents' Testimony:

Betty Whiting, Montana Association of Churches, said her organization was opposed to the lottery in the first place and they are opposed to any expansion. She believes the philosophy of gambling is in direct opposition to Christian theology. She said this is an expansion which not only includes PowerBall, but is also an agreement to enter into any type of lottery game offered by international lotteries or other states. She said gambling legislation has always ignored social costs and,

therefore, this bill will have a fiscal impact when it passes.

Ms. Whiting stated research has shown at least seven percent (7%) of the population that play the lottery will become addicted. She indicated treatment for gambling addictions range between \$1,600 and \$9,600 per person. She also stated the lottery is advertised and uses her tax dollars for something she does not like. In 1996, she said, seventeen percent (17%) of the total bankruptcies filed were reported as gambling debt. Further, increased access to gambling is correlated to increases in burglary, larceny, theft, vandalism, DUI's, etc. Referring to testimony regarding the adverse effects on retail businesses, she believes money spent on lottery tickets will be spent at other local retailers buying food, clothing, and etceteras. **Ms. Whiting** stated this bill was defeated during the last session because the legislature felt entering into contracts with international agents was a problem because the government is not allowed to do so.

Julie Millam, Montana Family Coalition, passed out a Federal Trade Commission report on gambling fraud **EXHIBIT (bus52a07)**. She also quoted many articles concerning gambling. She said this is an expansion of gambling because it crosses international boundaries.

{Tape: 2; Side: B; Counter: 20.4}

Greg Trude, private citizen, said he does not think expanding gambling into Mexico and padding their pockets is right. He said one of the problems with Montana is its' economy, and he asked why would the legislature want their citizens' dollars to go to other states and other countries. He read lines 29 and 30 and said he does not think our dollars need to go to other states and countries.

Terry Paske, Montana Eagle Forum, believes this bill increases gambling; i.e., the bigger the pot the more people who will participate. She also believes any increase in gambling is not beneficial to families that live here. She said it will only increase the need for the costly care of addicts, and so forth. She said for some people buying a lottery ticket is no big deal, but, for others, rather than buying a carton of milk they will opt to buy the lottery ticket. She wondered if changing this law to include international lottery is the winning ticket.

Shannon Bennett, private citizen, said if this bill fails the state will lose \$7 million. That money, however, is not coming from tourists but from people who live in this state. She said this is not a family friendly bill and conveyed some statistics regarding lottery gambling addictions, etceteras.

{Tape: 3; Side: A; Counter: 4.3}

Harris Himes, Big Sky Christian Center in Hamilton, said the priority of lotteries is to get you to spend your money. Although the state is making about \$10 million per year, he believes the money is leaving the state and the odds of winning are very low. He said this is the same money that would stay here and be taxed in the state if it were not being spent on lotteries. He feels this bill is morally and fiscally wrong for Montana.

Questions from Committee Members and Responses:

CHAIRMAN MAHLUM asked **Mr. Crippen** how long he has been involved with the lottery. **Mr. Crippen** replied he came on board in 1996. **CHAIRMAN MAHLUM** said the legislature has heard a lot of different things since the lottery began; including, although the money was intended for schools, schools have indicated they did not want the money because it was tainted. **Mr. Crippen** stated, although not certain, most earmarked funds go into the general fund.

CHAIRMAN MAHLUM posed the same question to **Mr. Pavlovich**. **Mr. Pavlovich** said when the lottery originally passed it was to be used for teacher retirement, the Montana Education Association did not like the idea of funding education with money from gambling money so the money was put into the general fund. **CHAIRMAN MAHLUM** asked if money still was earmarked for education. **Mr. Pavlovich** replied in the negative, stating everyone has a chance an opportunity to share in the money.

SEN. COCCHIARELLA asked if the bill is limited to PowerBall, or does it allow the Montana Lottery to enter into any type of international lottery they may choose. **Mr. LaChere** said the bill does not place any restrictions on the number of agreements the lottery may enter into, but that is not the intention. **SEN. COCCHIARELLA** asked if the bill could be amended so as to deal only with PowerBall. **Mr. LaChere** said PowerBall was formerly "Lotto of America;" in the future it could be called "International Games" or something similar. As a result, legislation will not work as the name changes. **SEN. COCCHIARELLA** asked if it was possible to include language referring to the name, and if it was ever changed the legislation would follow. She inquired whether the Montana Lottery would agreeable to such an amendment. **Mr. LaChere** replied if it were limited to games currently being offered it would not present a problem.

SENATOR KEN HANSEN asked **Ms. White** to provide clarification on the facts and figures she cited in her testimony regarding other crimes being correlated to gambling. **Ms. White** replied in 1998 a gambling study, authorized by the Montana legislature, was completed in Montana. She also stated addiction to gambling continues to increase; at one time it was estimated three to seven percent (3 - 7%) of Montana's population was addicted to gambling.

SEN. RYAN asked **Mr. Stevens** about the amount of money retailers receive from PowerBall. **Mr. Stevens** said, although not certain, they settled on five percent (5%) in 1987.

{Tape: 3; Side: A; Counter: 17.5}

SEN. DON RYAN stated if a retailer receives a nickel from every ticket sold, it would necessary to sell \$15 million worth of tickets in these establishments.

SENATOR SHERM ANDERSON asked **Mr. LaChere** for the total revenue from PowerBall. **Mr. LaChere** replied, in 2002, it was approximately \$15 million. **SEN. ANDERSON** asked, in the event the bill does not pass, will the general fund realize a potential loss of \$5 million to \$10 million. **Mr. LaChere** replied in the affirmative. **SEN. ANDERSON** asked if operators would lose approximately \$1.4 million. **Mr. LaChere** replied that was correct. **SEN. ANDERSON**, posing the situation where this legislation fails and the lottery ceases to exist, asked what would happen to the \$15 million people are spending on the lottery. **Mr. LaChere** said, in his opinion, the money is being spent for entertainment. Whether individual would find different forms of gambling, or other entertainment, he could not speculate. **SEN. ANDERSON** asked if **Mr. LaChere** thought some individuals would go out of state to buy lottery tickets. **Mr. LaChere** responded if the choice is to buy lottery tickets an individual may go to neighboring states.

{Tape: 3; Side: A; Counter: 21.2}

Closing by Sponsor:

REP. LAKE emphasized PowerBall is a form of entertainment for citizens of Montana. He said fifty-five percent (55%) of the population plays the lottery and state spending per person is only about \$37. He does not believe the lottery falls into the category of gambling which leads to addiction because it is a twice a week drawing. He said the game remains very popular and there is no other game in the United State that offers the same

level of excitement. He also emphasized sixty-nine percent (69%) of the people who voted during the election voted in favor of passage, and it is a very popular game.

{Tape: 3; Side: B}

EXECUTIVE ACTION ON HB 98

Motion/Vote: SEN. SPRAGUE moved that HB 98 BE CONCURRED IN.

Motion: SEN. SPRAGUE moved that HB 009803.aem (as originally submitted for consideration in **EXHIBIT**(bus52a08)) BE ADOPTED.

Discussion:

Eddye McClure, Legislative Division, explained the amendments, stating they remove sections 13 and 14 from the bill.

Vote: Motion that HB 009803.aem BE ADOPTED carried 10-0.

Motion/Vote: SEN. SPRAGUE moved that HB 98 BE CONCURRED IN AS AMENDED. Motion carried 10-0.

EXECUTIVE ACTION ON HB 76

Motion/Vote: SEN. SPRAGUE moved that HB 76 BE CONCURRED IN.

Discussion:

Eddye McClure discussed the amendments **EXHIBIT**(bus52a09).

Motion: SEN. SPRAGUE moved that HB 76 BE CONCURRED IN.

Motion/Vote: SEN. SPRAGUE moved that HB 007601.aem BE ADOPTED. Motion carried 10-0.

Motion/Vote: SEN. SPRAGUE moved that HB 76 BE CONCURRED IN AS AMENDED. Motion carried 10-0.

EXECUTIVE ACTION ON HB 164

Motion/Vote: SEN. ROUSH moved that HB 164 BE CONCURRED IN. Motion carried 10-0.

EXECUTIVE ACTION ON HB 126

Motion/Vote: SEN. COCCHIARELLA moved that HB 126 BE CONCURRED IN.

Discussion:

SEN. GEBHARDT said the problem he has with this legislation was the possibility of a police officer writing the ticket, collecting the fine, and keeping the money. He said the bill also removes them from general fund appropriation, and they do not have to defend their budget. He said they need one attorney now, two the next year, and then ten, with the more money they collect the bigger the empire.

SEN. COCCHIARELLA felt the supporters of the bill did not explain very well regarding their inclusion in HB 2, and that they are reviewed the same as any other entity. She said they have to have additional FTE approved no matter where the money comes from and there is oversight.

{Tape: 3; Side: B; Counter: 18.2}

SEN. RYAN said in order to have the start-up money they could use the \$200,000 loan. He inquired what would happen if there was no money because no money is being received. An unidentified speaker stated the project would be terminated, however, they did not believe that would happen.

SEN. SQUIRES said any money issues have to go through HB 2 whether it is a line item, special account, or whatever.

Vote: Motion that HB 126 BE CONCURRED IN carried 10-0.

ADJOURNMENT

Adjournment: 11:03 A.M.

SEN. DALE MAHLUM, Chairman

SHERRIE HANDEL, Secretary

DM/SH

EXHIBIT (bus52aad)